

Message Text

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ACTION EUR-12

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USEEC

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TAGS: ASEAN, EFIN, ETRD, EEC

SUBJECT: STATUS OF EC CONSIDERATION OF ASEAN STABEX

REF: (A) STATE 134380 (B) BANGKOK 15083

1. PER REF A, MISSION OFFICER ACCOMPANIED BY ALBRECHT,
DIRECTOR EUR/RPE, SAW MAY 30 JEAN-CLAUDE MULLER, AN EC
COMMISSION DEVELOPMENT OFFICIAL WHO ATTENDED THE MAY 17-
19 SESSION OF EC-ASEAN JOINT STUDY GROUP IN BANGKOK.
MULLER, HEAD OF STABEX OPERATIONS UNDER THE LOME CONVEN-
TION, LED THE DISCUSSIONS ON THE EC SIDE CONCERNING
STABILIZATION OF COMMODITY PRICES AND EXPORT EARNINGS.
IN RESPONSE TO OUR QUERY REGARDING THE STATUS OF EC CON-
SIDERATION OF ASEAN'S REQUEST FOR A REGIONAL STABEX
FACILITY, MULLER REPLIED THAT THE EC COMMISSION IS NOT
ENTERTAINING ASEAN'S REQUEST, EVEN THOUGH THE QUESTION
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CONTINUES TO APPEAR AS AN AGENDA ITEM IN VARIOUS EC-ASEAN
FORA. THE EC POSITION, ACCORDING TO MULLER, IS THAT
SUPPORT FOR AN ASEAN STABEX SCHEME IS SIMPLY "NOT ON" FOR
A NUMBER OF REASONS, INCLUDING: (A) PROHIBITIVE COST, AND
(B) SMALL SHARE OF ASEAN COMMODITY EXPORTS GOING TO THE
COMMUNITY. HOWEVER, MULLER SAID, AT THE CONCLUSION OF
RECENT JOINT STUDY GROUP SESSION COMMISSION AGREED TO

PARTICIPATE WITH ASEAN REPS IN A WEEK-LONG WORKSHOP IN SEPTEMBER DESIGNED TO EXAMINE TECHNICAL ASPECTS OF STABEX OPERATIONS. THIS ASSISTANCE, AT THE EXPERT LEVEL, REPORTEDLY IS BEING OFFERED BY THE COMMISSION ON THE GROUNDS THAT ASEAN MAY ADOPT THE COMMISSION'S SUGGESTION TO SET-UP A STABEX SCHEME, BASED SOLELY ON INTRA-ASEAN FINANCING. MULLER REPORTED HE WAS ALSO INVITED BY ASEAN AUTHORITIES, DURING THE MAY 17-19 STUDY GROUP SESSION, TO DISCUSS STABEX AT THE POLITICAL LEVEL IN ASEAN CAPITALS NEXT FALL, BUT SAID HE FIRMLY DECLINED THIS OPPORTUNITY.

2. IN RESPONSE TO OUR QUERY WHY, AFTER REPEATED REBUFFS, THE ASEAN GROUP PERSISTS IN DEMANDING EC PARTICIPATION IN A REGIONAL STABEX ARRANGEMENT, MUGGERQUESSED THAT ASEAN'S OBJECTIVE IS TO PLAY-OFF THE ECNDKAPAN IN THE HOPE THAT EVEN A "SIMULATED" COMMITMENT (SUCH AS IN THE FORM OF TECHNICAL ASSISTANCE ON THE PART OF THE COMMISSION) BY ONE COULD BE USED TO EXTRACT FINANCIAL PARTICIPATION OR OTHER TANGIBLE SUPPORT FROM THE OTHER.

3. IN A SEPARATE CONVERSATION MAY 30 BETWEEN MISSION OFFICER AND AN INFORMED EC PERMREP OFFICIAL, MULLER'S STATEMENT REGARDING THE EC POSITION ON A REGIONAL STABEX WAS CONFIRMED. THIS OFFICIAL BELIEVES THAT THE COMMISSION'S WILLINGNESS TO PROVIDE TECHNICAL ASSISTANCE ON STABEX OPERATIONS IS INTENDED AS A STALLING TACTIC. WHILE LIMITED OFFICIAL USE

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HE ACKNOWLEDGED THAT COMMISSION COOPERATION AT THE EXPERT LEVEL COULD BE CONSTRUED AS LEANING IN THE DIRECTION OF AN EC COMMITMENT TO ASEAN, OUR PERMREP SOURCE TELLS US THAT COMMISSION'S BEHAVIOR SHOULD BE VIEWED SIMPLY AS A TACTIC TO DODGE GRACEFULLY THE PERSISTENT DEMANDS ON THIS SUBJECT FROM THE ASEAN SIDE. HINTON

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